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SUBJECT: DEPUTY PM UZELAC ASSURES PROGRESS WILL BE MADE ON
REFUGEE RETURN

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11. SUMMARY: In an April 25 meeting with representatives of the international community, recently appointed Deputy Prime Minister Slobodan Uzelac promised significant progress in the promotion of refugee returns in the immediate future. Uzelac, the Croatian Serb minority party's representative in the government, outlined the GoC's refugee return strategy, to include resolution of previously stalled issues. The meeting included the Deputy PM, the highest-level Croatian official yet to assume direct responsibility for refugee return issues, as well as other senior representatives of the GOC, the EC, UNHCR, U.S. Embassy, and the Zagreb based office of the OSCE. International participants were pleasantly surprised as Uzelac unveiled his plan for providing housing for an estimated 7,000 occupancy tenancy rights holders. In addition, Uzelac plans to immediately institute an appeals mechanism for those denied housing, quietly resolve the thorny issue of convalidation of pensions, and personally work to resolve legal cases of occupied agricultural land and unsolicited investments by temporary occupants. The meeting also marked the EC's assumption of the leading role on return issues from the OSCE, as reflection that GoC performance in implementing its plans will be part of their opening negotiations on Chapter 23 (Judiciary and Fundamental Rights) of the European Union Accession process. END SUMMARY

7000 CASES OF OCCUPANCY TENANCY RIGHTS HOLDERS TO BE RESOLVED
BY END OF 2009

12. At present, almost 7000 family applications from OTR holders are either awaiting allocation of housing or court decisions. During the April 25 meeting, State Secretary Milivoj Mikulic, with the support of DPM Uzelac, announced that the cases of 1,400 tenancy rights holding households would be successfully processed by June 30, and that another 4,400 were expected to be processed by the end of 2009. Uzelac further promised that, by September 2008, reconstruction efforts would have begun on over 1000 apartments reserved for OTR holders in the cities of Vukovar, Sisak, and Sibenik, and Zadar County. While meeting these targets would not completely eliminate the problem of housing for this vulnerable population of refugees, Uzelac estimated that some 1,200 applicant households will be unreachable and therefore should not be included in the overall targets. These include some who have not responded to GOC letters or requests for additional information, whose contact information is not reliable, and even some who have died in

the intervening years.

APPEALS MECHANISM TO BE INSTITUTED

13. As part of an initiative to ensure fairness and transparency in a notoriously bureaucratic and slow process, Uzelac informed the group that an appellate procedure was introduced in hopes of addressing over 850 negative decisions awaiting appeal. Under the newly formed "Directorate for Areas of Special State Concern" within the Ministry for Regional Development, first instance administrative decisions regarding applications to the housing care program will occur at the local level, but can now also be appealed. While second instance decisions will still occur within the same ministry, the hearings are scheduled to occur in the capital city of Zagreb by officials who were not involved in the initial finding. As a further sign of good will, Uzelac publicly invited the international community, in particular the UNHCR, to assist in participating in the monitoring and the review of individual cases as they work their way through the new appeals structure. While the exact mechanism through which the joint-review would occur remains undefined, Uzelac confirmed that the appeals mechanism is ready to begin operations in the weeks ahead.

CONVALIDATION OF PENSIONS TO QUIETLY BE RESOLVED (SBU)

14. (SBU) Deputy Prime Minister Uzelac and his Minister of Regional Development, Forestry and Water Management, Petar Cobankovic, committed to intensely working to solve the unresolved issue of convalidation of pensions in the next 30 days. In practice, crediting time worked towards retirement will mean only a small increase of under \$40 a month to most

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Serb retirees' pensions. Representatives at the meeting were told an "ordinance" resolving the problem of crediting years of service in the former Serb Occupied Areas would quietly be released in the immediate future. Uzelac asked the international community representatives to keep this decision quiet for now.

UNRESOLVED LEGAL CASES OF OCCUPIED AGRICULTURAL LAND AND UNSOLICITED INVESTMENTS BY TEMPORARY OCCUPANTS

16. Uzelac optimistically promised to personally visit all cases of occupied agricultural land and to investigate them over the next 3 months. Uzelac further extended an invitation to members of the international community to accompany him on his initial fact finding visits. In addition, Uzelac committed himself to fully mobilizing GOC resources to resolve the 21 remaining "unsolicited investment" cases, where temporary occupants had put money into the houses and were now seeking reimbursement from the building's original Serb owners.
Bradtke